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Mr. CARPER. Mr. President, I come to the floor to take this time to talk about the reauthorization of welfare reform, the reform launched a half dozen years ago. The authorization for those reforms has expired once, has been renewed for a year, and will expire again at the end of this year.

When Bill Clinton ran for President in 1992, he said a number of things for which he is remembered. He said: It is the economy, stupid. And it is always the economy, stupid, as far as I am concerned. But he also said we ought to change welfare as we know it. And we have.

Welfare reform was very much needed in the mid-1990s. A lot of people who ended up on welfare stayed there for long periods of time. And one of the reasons why they stayed there for so long was because they and their families were better off being on welfare than not. If people on welfare went to work, they lost some things. They lost maybe health care for their kids, eligibility for food stamps, nutritional support for their families, affordable housing. They certainly had to pay more for affordable housing.

And what would they gain by going to work and getting off welfare? The right to pay taxes: State income taxes, Federal income taxes, Social Security taxes, Medicare taxes, and others. After losing those certain things and gaining the right to pay those taxes they would have to deal with the costs included in childcare. Who is going to take care of my kids? How will I pay for it? How will I get to work? Is there transportation? Is there transit? Do I have a car? Is it a working car? If I don't, how do I get one or pay for it or maintain it?

The reforms adopted in 1996 were actually endorsed by the National Governors Association which served as a catalyst for the adoption of Federal law. There were a number of principles that underscored or underwrote that welfare reform initiative of the mid-1990s. The first was work first. We should not place emphasis on finding people for jobs that may not exist. We ought to help people to go to work first.

The second principle was, work ought to pay more than welfare. People actually ought to be better off because somebody in that family is going to work every day.

The third principle was really a tough love principle. There ought to be limits on the amount of time that people could be on welfare. States could make it more stringent but a 5-year cap on the amount of time people spent on welfare should be the law of the land. We should have a tough love approach. There ought to be a certain toughness in what we are doing.

People should show up for job interviews. They should take the jobs offered. They should not be able to walk away from the jobs. If they do those kinds of things, they would face, in a number of States, the likelihood of being sanctioned for their refusal or inability to go to work and continue to work.

We also said that we realize there are some people on welfare who will never come off. For reasons physiological, they are going to be dependent forever. We allowed the States to recognize some percentage—I think 20 percent—of the caseload of people who will not go to work. We said that it might be a smart idea to have a rainy day fund, in case the economy falls off a cliff or we have a lot more people who show up and need a welfare payment. So we provided for a rainy day fund.

Finally, we said there are really four critical elements that need to be addressed in order for people to get off welfare and stay off welfare for an extended period of time. No. 1, there had to be a job to go to. No. 2, they have to have a way to get to the job. No. 3, there has to be health care for the kids. If the kids get sick, parents are not going to go to work. There has to be minimal health care for the family. People will not go to work if there is nobody to take care of their kids. So there needs to be some assistance given for childcare.

By most standards, the welfare reforms we began a half dozen years ago are regarded as a success. The rolls are down by roughly half across the country, including Delaware. Many families who used to be on welfare are now working and those families are, for the most part, better off. In those families where somebody is going to work every day, that parent sets an example for their children that there is an expectation to go to work, that there is dignity with work, and we are expected to be self-aligned and self-sufficient, if we are psychologically able to do that.

I have heard the old adage, “If it ain’t broke, don’t fix it.” Some people said that about the welfare reforms to be adopted in 1996—that they were not broke and we ought not to fix them. Other people said we ought to change it substantially, which is what we did in 1996. Some would like to go back to a situation that existed prior to that time. Others would like to go to an even tougher love arrangement, with the emphasis on toughness and not a whole lot of love involved.

Rather than saying if it ain’t broke, don’t fix it, I think the better approach is to say this: If it is not perfect, make it better. The reforms we adopted 6 years ago can be improved upon and we can make it better.

I want to talk about a proposal Senator Nelson and I will be offering. As former Governors of our States, we believe it will build on the changes adopted in 1996. It would make the system better and make it one that is more likely to help people get off welfare and stay off for an extended period of time, and hopefully forever.

When we adopted the welfare reforms of 1996, we decided to take welfare, which had been an entitlement program, and make it a block grant program. I believe it provided that $16.5 million would be distributed to States in block grants and States could apportion that money out, to be used for a variety of things, including cash welfare payments, childcare assistance, healthcare, and other things. They could also use the money for transportation assistance. We put a 5-year limit on the amount of time people, under Federal law, could be eligible for welfare benefits. We also said in that law that we want States to eventually increase their work participation rates.

If you look at the welfare caseload, the percentage of people doing work or work-like activities, we wanted that to increase so by 2002 the work participation would have gone up 50 percent from wherever it started. That is where it is today; the work participation rate is 50 percent.

We give a credit to States that moved people off of welfare since the mid to late 1990s. So if they have moved people off welfare, States can get a credit toward the work participation rate, with the 50-percent mandate.

As it turned out, when they moved half of the people off of the welfare rolls and the work participation rate is 50 percent effectively by moving people off welfare to work, in most of the States we have eliminated de facto the work participation rate.

Most States have a zero work participation rate as a result.

Our bill changes that in a couple of ways. It gradually raises from 50 percent to 70 percent, in 5-percent increments each year, the work participation rate, so that by 2008, today's rate would go up to 70 percent.

We provide for something called an employment credit. The employment credit provides a credit to States against its work participation rate for doing a couple of things. One, for moving people to work. Two, they get bonus credit for moving people to work at better paying jobs. Also, States can earn partial credit against the work participation rate if people are doing at least 16 hours of core work activities.

Under the current Federal law, a workweek for people who have kids over the age of 6 is 30 hours in order to count toward the work participation rate. Under current law, if a person has a child under 6, they need to be working 20 hours in order to count toward the States' work participation requirement.

Senator Nelson and I would change that a little bit. We say that—there is one thing we don't change. If you have a child under the age of 6, it is still 20 hours. If they are over the age of 6, we expect them to be working 32 hours, 8 of which can be activities other than core work activities. An example would be assistance for substance abuse, or anything that is deemed to be eliminating the barrier toward employment. If a person doesn't have a high school degree, they can be working toward their GED, and that counts as part of that 8 hours. But 24 hours of the 32 would have to be a core work activity. I will give you some examples: private sector work, public sector work, community service, and vocational education.

Senator Nelson and I also made a modification with respect to education and training. Under current law, vocational education counts up to—I believe you count it toward your work participation rate for 12 months. We make that 24 months. We put in a cap. If you had 100 people on your caseload, no more than 30 percent of that 100 people who are involved in vocational education training or postsecondary can be counted toward a State's work participation rate. We extend from 12 months to 24 months those who are participating in vocational credit.

If you want people to go to work, you have to make sure there is help on the childcare side. If we are going to raise the hours, we expect the people to do work or work-like activities. If we are going to raise the work participation rate, we have to provide additional assistance. There is an extra $6 billion that we provide for childcare over the 5-year period.

In addition, we raise the social service block grant to a fully authorized level over a 5-year period of time. On the transportation side, as I mentioned earlier, unless people can get to work—we can have all the caps and participation rates we want but unless people can get to work, they are not going to be able to get off welfare and stay off of welfare.

In our legislation, we provide under current law where States can use the TANF block grant for transportation assistance. We provide authorizing language for another $15 million in authorization for transportation. If you live in a rural area and there is no transportation, States can help people buy cheaper but working cars to get where they need to go.

We make a change with respect to transitional health care. Under current law, if I am on welfare and then I go to work, I lose my health care. I can get 12 months of transitional assistance from Medicaid. We raise that. We give States the discretion to raise that to 24 months.

I see Senator Grassley has risen to speak. I will finish my remarks. I say this to him. I appreciate very much his effort in leading the Finance Committee. Senator Nelson and I have actually been privileged to be the time we launched welfare reform. We learned a lot from those experiences. We think it is germane to the debate that is coming soon in the next steps in welfare reform. We hope to be part of the debate—maybe not in your committee but certainly when we get the bill to the floor. As much as I understand what is taking shape here, I think there are common elements in what

Senator Grassley is seeking to do and what Senator Nelson and I propose to do. We look very much forward to engaging with the chairman in the work he is doing now and with that which is going to be brought to the floor later this year.

Mr. President, I ask unanimous consent that the text of this bill that Senator NELSON and I are introducing be printed in the RECORD.